Preamble

This paper endeavors to describe the principles that should be reflected—as well as the substantive issues, elements, and provisions that should be included—in what free traders would consider the ideal free trade agreement between the United States and the United Kingdom. Immediately, conflict exists.

Real free traders may consider the notion of an ideal free trade agreement oxymoronic. After all, real free traders are most concerned about eliminating domestic barriers to trade, whereas trade agreement negotiators consider those same barriers to be assets. Free traders seek the removal of domestic barriers, regardless of whether other governments promise to do the same; we understand that the primary benefits of trade are the imports we obtain, not the exports we give up. The benefits of trade are measured by the value of imports that can be purchased for a given unit of exports—the more, the better. The benefits of unimpeded access to the wares produced and services provided by people in other countries include greater variety, lower prices, more competition, better quality, and the innovation that competition inspires.

Free trade is a condition characterized by the absence of trade barriers. Establishing the most important conditions for free trade—the elimination of domestic barriers—requires no formal agreements between or among governments. It is misguided to believe that the economic freedom of people living in one sovereign nation should depend on the consent of a foreign government. But the benefits that accrue to producers, workers, consumers, and taxpayers when their own government eliminates or reduces its own trade barriers—regardless of whether a foreign government agrees to do the same for its citizens—are ample and well-documented.

The stories behind the compelling 20th-century economic turnarounds in places such as Hong Kong and Singapore, Australia and New Zealand, Chile and Mexico, and China and India have in common the commitments of those governments to deep and broad unilateral